The Adventures of Primero Dinero

The Richest Man in the World

Excitement

Romance

Grrrrrr

Isn't This Exciting!
This was written by Steve Jackstadt and Yukio Hamada and illustrated by my old pal John Dawson.

The Adventures of Primero Dinero

We like Hillary Parker and Geraldine Wong because they are nice girls and because they helped us a lot.

Follett Educational Corporation
Chicago
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THE ADVENTURES OF PRIMERO DINERO

THE RICHEST MAN IN THE WORLD

Episode I.

"LOST ON ABBA ZABBA"
**Primero Dinero** was the richest man in the world. He was groovy and far out.

He had everything a man could want, and then some.

In other words nothing was scarce for Primero.

"Scarcce"? What's "scarcce"?

**Definition of "Scarcce"**

Something is scarce when you don't have as much of it as you would like.
SO ANYWAY

PRIMO WAS ON A CRUISE WITH HIS GIRLFRIEND LOTTA

WHEN A STORM CAME UP

WELL, YOU KNOW WHAT HAPPENED.

UNCHARTED ISLE OF ABBA ZABBA

BUMMER!
SCARCITY WAS NOW A PROBLEM FOR PRIMO.

...AND FEW RESOURCES.

DEFINITION OF RESOURCE:
A RESOURCE IS ANYTHING THAT CAN BE USED TO SATISFY HUMAN WANTS.

NOW

PRIMO IS FAMILIAR WITH THE "ECONOMIC PROBLEM"

HOW CAN I BEST ALLOCATE MY SCARCE RESOURCES TO SATISFY MY MANY WANTS?

FROM NOW ON GANG AS WE WATCH PRIMO IN ACTION, WE'LL BE STUDYING ECONOMICS.

DEFINITION OF ECONOMICS: ECONOMICS IS THE STUDY OF HOW MEN CHOOSE TO ALLOCATE SCARCE RESOURCES IN ORDER TO SATISFY THEIR WANTS.

IF YOU DON'T KNOW WHAT "ALLOCATE" MEANS, LOOK IT UP IN A DICTIONARY.

LAND, LABOR, CAPITAL ARE GENERAL RESOURCE CATEGORIES.
COST WAS NOW A PROBLEM FOR PRIMO TOO!

DEFINITION OF COST:

Something "costs" whenever you have to give up something else in order to get it.

With this view of cost in mind, you can see that Primo incurs a cost whenever he does anything.

FOR EXAMPLE

Whenever Primo goes fishing, he gives up the opportunity to gather firewood.

CATCHIN' ANYTHING?
OR IF HE USES A CERTAIN PIECE OF LAND AS A HOME SITE

HE FOREGOES THE OPPORTUNITY TO GROW CORN ON THIS SAME LAND.

CORN?

Fish, then, costs firewood. Land used for one thing costs primo whatever else he could have used the land for.

Son-of-a-gun, even while I sleep it is costing me... I could be using this time to... zzzzzzzz

Son-of-a-gun

OK, LET PRIMO SLEEP. Go on over to the next page and see if you can apply the concepts that he has introduced.
APPLICATIONS

1. IF YOU WERE GIVEN $100.00 RIGHT THIS MINUTE, HOW WOULD YOU ALLOCATE IT SO AS TO MAXIMIZE YOUR SATISFACTION?

2. MAKE A LIST OF ALL THE THINGS YOU CAN THINK OF THAT AREN'T SCARCE FOR THE PEOPLE OF OUR STATE.

   HERE ARE SOME EXAMPLES OF THINGS THAT MIGHT BE SCARCE IN SOME STATES: RUBBER TREES IN ALASKA, MOUNTAINS IN IOWA, WATER IN ARIZONA, CAMELS AND DONKEYS IN OHIO, PALM TREES AND COTTON PLANTATIONS IN NEW YORK, SKIING RESORTS IN FLORIDA, RICE PADDIES IN RHODE ISLAND. ARE ALL OF THE ABOVE RESOURCES? EXPLAIN WHY DO YOU THINK THESE THINGS MIGHT BE SCARCE IN THE GIVEN STATES?

3. RUDY KAZOOTY IS A SENIOR AT GROOVY HIGH SCHOOL. HE IS 5'9" AND WEIGHS 150 LBS. HE HAS GREEN EYES AND A GIRL FRIEND NAMED YVONNE. HE WORKS AS A PACKAGE-BOY AT UNDERSSELL STORE FOR 2 HOURS EVERY DAY AFTER SCHOOL, $2.00 AN HOUR, FIVE DAYS A WEEK.

   FOOTBALL SEASON ARRIVES. DUE TO THE FACT THAT RUDY MUST PRACTICE AN AVERAGE OF 2 HOURS PER DAY, FIVE DAYS A WEEK, HE QUITS HIS JOB AT UNDERSSELL STORE. MR. UNDERSSELL LIKES RUDY, HOWEVER, AND TELLS HIM HE CAN HAVE HIS JOB BACK WHEN THE SEASON ENDS IN 12 WEEKS BECAUSE RUDY PRACTICES SO HARD (HE'S A HALFBACK) HE STARTS GOING TO BED EARLY. THIS TAKES AWAY FROM THE TIME HE PREVIOUSLY SPENT WITH YVONNE. DURING FOOTBALL SEASON HE SPENDS 10 HOURS PER WEEK LESS WITH YVONNE THAN HE DOES IN THE OFF-SEASON OTHER THAN THE ABOVE — RUDY'S LIFE GOES ON IN A NORMAL WAY...

   QUESTION: WHAT DOES IT COST RUDY TO PLAY ONE SEASON OF FOOTBALL AT GROOVY?
4. Keeping the definition of Cost in mind, what does the utilization of land for agricultural purposes cost our state? Make a list.

5. Again using our definition of Cost, what did it cost the U.S. to go to the Moon? (The money spent amounted to about $40 billion.)
Episode II.
"GETTING THE LAY OF THE LAND"

When Primo woke up the next morning, he decided to explore his island and take stock of the various resources at his disposal.

THINK I'LL TAKE A LOOK AROUND.
He was particularly interested in productive resources, resources that can be used to produce other things.

Yipes!
I didn't know there were so many trees and bushes around here! Maybe I can make something out of this stuff.

Economists generally group productive resources into three main categories: land, labor, and capital.

Primo already knew that he possessed land, the ground he stood on was land.

What Primo didn't know (because he was economically illiterate) was that he had lots more land than he imagined.

Where??
**Definition of Land:** Economists use the term "land" in the same way that most people use "natural resources" or "gifts from nature".

In this view, the trees on Abee Zabea were land.

So were the fish in the sea.

So were the wild berries.

So were the little wild animals.
OF COURSE PRIMO HAD LABOR

GROWL

DEFINITION OF LABOR: HUMAN EFFORT

...... USED IN MAKING SOMETHING.

MAN, I AM MAKING IT!

WELL KING-KONG, I GUESS NOBODY LIKES YOU.

NOTE: LABOR INCLUDES PROVIDING SERVICES, SUCH AS ENTERTAINMENT,
TEACHING AND BALL PLAYING.
As for capital... primo had none until...

Definition of capital: Capital means man-made things that are used to produce other things - tools, machines, factories.

But I thought "capital" was money! You know, money to buy stocks and bonds and stuff like that.

Nope! The correct term here is "money capital" or "financial capital". Just plain "capital" means real things that are used in production.

Alright! Now all I have to do is get to work. I'll rebuild Dineroland right here on abba zabba!
1. WHICH OF THE THINGS LISTED BELOW ARE PRODUCTIVE RESOURCES (as opposed to just plain resources)? After you select the productive resources, classify them as being either land, labor, or capital.
   (A) BULLDOZER
   (B) SEAWEED
   (C) PHONOGRAPH RECORD
   (D) POTATO CHIPS
   (E) SCHOOL DESK
   (F) CONSTRUCTION WORKERS
   (G) SCREWDRIVER
   (H) A REGION'S CLIMATE

2. PRIMO SAYS THAT A WASHINGTON DELICIOUS APPLE IS "JUST A PLAIN OLD RESOURCE," WHILE THE BIRD (HIS NAME IS LOUIE) INSISTS THAT IT'S A PRODUCTIVE CAPITAL RESOURCE. WHO IS RIGHT? CAN IT BE THEY ARE BOTH RIGHT?
Episode III.
"A Lotta Problems"

REBUILDING DINEROLAND

WASN'T GOING TO BE AS EASY AS PRIMO THOUGHT!
FIRST HE HAD TO MAKE 3 BASIC DECISIONS.

1. HE HAD TO DECIDE WHAT HE SHOULD PRODUCE WITH HIS LAND, LABOR AND CAPITAL.

I'M COLD, I'M HUNGRY, I NEED SHELTER.
PRIMO WEIGHED THE RESPECTIVE COSTS AND BENEFITS OF EACH ALTERNATIVE.

Naw! It'll warm up in a couple hours, after all this is the tropics.

AND DECIDED TO "PRODUCE" A COCONUT.
HAVING MADE THE CHOICE OF WHAT TO PRODUCE, PRIMO STILL HAS TO DECIDE HOW TO PRODUCE IT.

He could...

Climb the tree...

...Chop it down.......

But what about maintaining the quality of your environment?!!!

...Or use a long stick

Gulp!

Good stick.
Once he gets the coconut down and opens it...

Th...AP

He doesn't have to worry about who will get it.

It's mine, all mine, and I don't have to share it.

Because I'm the only one here.

Of course, Primo still has to reckon with costs.

It can't be!

Dashing 55 mph through the snow.... 62
Pretty Simple, Huh?

Well this simplicity didn't last long. A few days later Primo's life was complicated when...

Lotta! Where have you been? What happened to you?

But don't you want to hear how I was swallowed by a whale?

That's O.K. I've already heard that story.

I was swallowed by a whale!
NOW THERE WAS CONFLICT

WHAT TO PRODUCE...

STOP EATING ALL THOSE COCONUTS— I LIKE FISH.

HOW TO PRODUCE IT...

USE A NET

AND WHO WOULD GET IT.

IT'S MINE.

IT'S FOR ME.

CLEARLY, PRIMO

AND LOTTA NEEDED A PROCEDURE

WHEREBY THESE BASIC ECONOMIC DECISIONS COULD BE MADE.

WE COULD VOTE

YEAH, BUT I THINK THERE WOULD BE TOO MANY TIES.

HOW ABOUT DRAWING STRAWS

TOO ARBITRARY

THEN PRIMO GOT AN IDEA...
No longer was there any conflict over...

What to produce...

OK! Coconuts!

Or how to produce it...

Or over who would get it.

This simple means of decision-making became obsolete, however, when one day....

Kupashki
Ali, here, hijacked our plane on a flight between Rabbit Island and Kahoolawe. He ordered the pilot to put down here because he thought this was Cairo.

Well, I'm Hilton Treeman, economist from Chicago... these are my fellow passengers.

O.I. Havakana Newton

Ali Blaba

Yeah!
Now there were really BIG problems.

Over what to produce....

Man, this could be a groovy place to grow chives 'n kumquats.

No, it's an ideal place to establish a sashimi industry!

Come on, fellas, let's use our resources to build a training-ground for guerrillas.

I like all this excitement!

Sashimi is raw fish, yum.

How to produce it...

Hey, man, why don't one of you guys get some coconuts?

Yeah, O.K., how 'bout it?

I got 'em last time, let Ali get 'em.

Isn't it exciting?

Zzzzzz...

And over who would get it.

I should get the biggest share. I did the most work.

So what! I was here first!

Sock POW!

Before things get too exciting, go on over to the applications. Just stay tuned.
1. Of the 3 alternative answers to **How** on page 18, which is "land intensive" (i.e., utilizes lots of land, and relatively little capital and labor)? Which process for the production of coconuts is "capital intensive"? Which one is "labor intensive"?

2. Listed below are some examples of conflict (the "vs." should give you a hint): go through the list and decide which ones are examples of "**What** to produce," which are examples of "**How** to produce," and which are examples of "**For whom** to produce?"

   (A) Tourism vs. Agriculture
   (B) Union Labor vs. Non-Union Labor
   (C) A 20-story hotel built on 50,000 sq. ft. of land vs. an 8-story hotel built on 150,000 sq. ft. of land (there are the same number of rooms in each hotel)
   (D) A guaranteed annual income paid for by high income taxes vs. no guaranteed annual income and low income taxes
   (E) Shipping flowers by air freight vs. shipping flowers by ocean freight
   (F) Lots of goods vs. lots of leisure

3. Okay, now the pressure is on you! Come up with two examples of your own that involve conflict over "**What** to produce"; two examples that involve conflict over "**How** to produce," and two examples that involve conflict over "**For whom** to produce."
Episode IV.
"BACK IN THE U.S.A."

Mr. Freeman, we can't go on like this. We've got to figure out some way to systematically answer the 3 basic economic questions. You're an economist, can't you help us out? How do they answer these questions back home in the U.S.A.?
WHAT to produce by asking CONSUMERS what they want.

By spending money on one thing rather than another, CONSUMERS are in effect casting "DOLLAR VOTES" for certain products.

VOTE PIXIE for ECONOMY

IT'S GASHOG for POWER

FREAK-OUT in the ZEPPELIN

SINCE businessmen are in business to make PROFITS, it pays them to produce those things that CONSUMERS want most.

George, discontinue GASHOG! It looks like ZEPPELIN this year.
BUSINESSMEN

THemselves then, are HOW
THE ones WHO DECIDE to PRODUCE the GOODS AND services
THAT CONSUMERS WANT.

ONCE AGAIN THE PROFIT MOTIVE IS THE KEY. PRODUCERS MAXIMIZE their PROFITS WHEN THEY PROMOTE EFFICIENCY AND MINIMIZE their PRODUCTION COSTS.

THIS ASSEMBLY LINE'S A GREAT IDEA, HENRY. YES, I KNOW.

IN OTHER WORDS THEY MUST UTILIZE THE COMBINATION OF LAND, LABOR, AND CAPITAL THAT COSTS THEM THE LEAST.

IN MOST PRODUCTION PROCESSES, RESOURCES CAN BE SUBSTITUTED FOR one another. RESOURCES THAT ARE CHEAP ARE SUBSTITUTED FOR RESOURCES THAT ARE EXPENSIVE.

HEY COMPAoRE. THESE GRAPE PICKERS HERE IN WINE COUNTRY ARE COSTING US TOO MUCH. ORDER A MECHANICAL HARVESTER!

ANYTHING YOU SAY, AMIGO!
This means that relative resource prices are the main determinants of how a good or service is produced.

Consequently, in places where labor is cheap and capital is expensive, production processes are labor intensive.

In other places, where labor is expensive and capital is relatively cheap, production processes are capital intensive.

As far as deciding who gets America's output—that's simple—each person gets as much as he can afford to buy and, of course, that depends on his income. Those with large incomes get large shares, those with small incomes get small shares.

I'll have a big piece of pie.

A nickel's worth please.

Does this give you guys something to go on? Do you understand how the economy answers the three basic questions?

Well?

Hmmm.

Let's go on over to the applications and figure some of this stuff out.
A guy walked into our office a couple of days ago. He threw a copy of "Primero Dinero" on the floor, and yelled - "You guys must have been full of baloney when you wrote that stuff about consumers deciding what the U.S. economy produces! Consumers do decide what to produce, producers do. Producers throw up a product, advertise it like mad over TV and in magazines, and the mindless consumers buy it. The story of yours is just another example of how our educational system tries to whitewash our corrupt, capitalistic economy which is based on exploitation of the common man. Do you think consumers decided that they wanted mouthwash? Heck no! A bunch of Madison Avenue turkeys decided to make people paranoid about bad breath, then make a billion dollars off a product that's supposed to stop bad breath... etc. etc.

Well, he went on and on like this and raised some doubts in our minds about the validity of the picture that Mr. Treeman paints. What do you think who does decide what should be produced in the U.S.?

Cesar Chavez's National Farm Workers Association (NFWA) has recently negotiated union contracts with some of the large grape growers in the delta area of California's San Joaquin Valley. Assuming that these contracts will mean higher hourly wages for grape workers, what do you think might happen to the production technology in the grape industry over the next few years?

In Vietnam, the U.S. war technology is relatively "capital intensive." The North Vietnamese, however, rely more on labor (for example, supplies are carried over the Ho Chi Minh Trail by men on foot). Which country is using its resources most efficiently? Is it possible that both are using their resources in the most efficient ways possible?
4. Are parking spaces scarce at your school? If the answer is "yes", how does your school administration decide who gets those scarce spaces? In what factors do they determine who gets them?

5. Land is a scarce resource in many states. How do people decide who gets the scarce land? Do you approve of the way land is allocated in our state? What are some other ways people could decide who gets to use the land?

6. We stated that who gets America's output depends on people's incomes. Taking this one step further, what factors determine how large a particular person's income is? Do you think that incomes should be allocated on a different basis than they are at present? How does the Soviet Union determine incomes?
Episode V.
"SUSHI OR NOT SUSHI
THAT IS THE QUESTION"

ISN'T THIS EXCITING!?*

ZZZZZZZ

Hey, Hilt, the gang is having
a little trouble with
the applications. Do
you think you could put this
thing in more specific terms?

Hmmmm, yes
I think so.
Let me put it this way....
ONCE THERE WAS A COUNTRY
THAT PRODUCED ONLY 2 PRODUCTS; POI AND SUSHI.

THIS LITTLE 2-PRODUCT ECONOMY DIVIDED ITS
PRODUCTIVE RESOURCES
EQUALLY BETWEEN THE
PRODUCTION OF THESE
HEALTH-GIVING FOODS.

* SUSHI IS RICEWRAPPED IN SEAWEED, FILLED WITH FISH, PLUMS, ETC.
* POI IS MASHED-UP TARO ROOT. — NICE PASTY STUFF!

HALF OF THE LAND, HALF OF THE LABOR,
HALF OF THE BUILDINGS AND MACHINERY, WERE
USED TO MAKE POI, THE OTHER HALF USED TO MAKE SUSHI.
Not only were productive resources split 50/50 between poi and sushi, but so was consumption. People spent half their money on poi and half on sushi.

Give me $5.00 worth of poi, and $5.00 worth of sushi.


One day, however, people's tastes changed. For some reason people started liking poi less and sushi more.

Momma, I'm tired of poi.

The people's change in tastes became known to the producers of poi and sushi through the simple fact that lots of poi was left on store shelves at the end of the day, while sushi was sold out by 2:00 or 3:00 in the afternoon.

No more sushi, but Wow, do we have poi!

Sushi please!
More dollar-votes were cast for Sushi and less for Poi.

Naturally Poi cut back on production and Sushi factories worked their employees overtime to expand production.

A new answer to what was evolving: less Poi, more Sushi.

Lucky Sushi...
Of course profits went down in poi and up in sushi. 

Due to the profit squeeze

The least efficient poi factories were forced to close and lay off their workers.

The expanding sushi industry however needed more resources. Empty poi factories were turned into sushi factories.
AND MANY POI-POUNDERs FOUND THEMSELVES WITH NEWJOBS IN SUSHI FACTORIES...

GILBERT, HOW DO WE MAKE THIS SUSHI ANYWAY?

IN ORDER TO GET AROUND THE FACT THAT MANY OF THEIR NEW EMPLOYEES WERE UNSKILLED, SUSHI EXECUTIVES BOUGHT NEW MACHINERY AND AUTOMATED THEIR PRODUCTION PROCESSES.

GREAT, GREAT.

A NEW ANSWER TO HOW WAS EVOLVING, MORE CAPITAL PER UNIT OF LABOR WAS BEING UTILIZED THAN BEFORE:
As you can see, resources were being reallocated in accordance with the desires of the populace.

This reallocation process extended to the farmers who provided the two industries with raw materials. Since people no longer consumed as much poi as before, the demand for taro fell and so did the price.

Since the demand and price of rice were both going up, many farmers quit planting taro and used their land to grow rice.

As you might guess, people's incomes were affected by this reallocation of resources. People involved in making poi found their incomes falling, while those in sushi found their incomes rising, from executives to rice-pickers.

I'll have a small piece of pie.

I'll have a big piece.

Thus, a new answer to the question of for whom was evolved. For whom? Well, more for people who are connected with sushi production, and less for those in poi.

-38-
Now do you understand how a market economy answers the 3 basic questions.

Shazam! What'll they think of next? We can try that right here on Abba Zabba.

Ya' know that's pretty clever—allowing consumers' dollar votes to decide what is produced.

And leaving—the decision of how to produce goods and services up to producers themselves.

Remember sir, there is a swimming pool in every room.

Glub!

No!

It can't be!

Excuse me folks, but due to the fact that Kahoolawe is now the site of the new, luxurious 5 million-room, deluxe, air-conditioned, sky-high, Dollarham-Castle Hotel, this island now is the official Navy gunnery range. You must evacuate by order of Governor Dollarham!
Isn't this exciting?!

Yes.

I'll never get to Cairo!

Is it really you?

Is there really a swimming in every river?

Drop by n' see me when you're in the Bay Area, Louie.

I can't dig this institution, I'm in now. How about getting me into State, O.K., old pal?

Bummer!

Ya' know, I kind of liked it here.

Just remember, it's never the end.
1. Here are some statistics (don't panic!) that show some changes in two important sectors of Hawaii’s economy. Can you draw any analogies between what has happened in Hawaii recently and what happened in the poi-sushi economy in this episode?


Agriculture Production

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</thead>
<tbody>
<tr>
<td>Sugar ($ Millions)</td>
<td>69.8</td>
<td>111.2</td>
<td>104.9</td>
<td>4.2</td>
<td>-5.7</td>
</tr>
<tr>
<td>Pineapple ($ Millions)</td>
<td>36.3</td>
<td>37.8</td>
<td>36.0</td>
<td>0.1</td>
<td>-4.8</td>
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<tr>
<td>Diversified Agriculture ($ Millions)</td>
<td>42.5</td>
<td>56.0</td>
<td>57.8</td>
<td>3.1</td>
<td>3.4</td>
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The Visitor Industry

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<tr>
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<th>1959-69</th>
<th>1968-69</th>
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<tr>
<td>Visitor Arrivals (Number)</td>
<td>243,216</td>
<td>1,209,413</td>
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<tr>
<td>Visitor Expenditures ($ Millions)</td>
<td>109.0</td>
<td>460.0</td>
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<tr>
<td>Hotel Rooms (Number)</td>
<td>6,802</td>
<td>22,801</td>
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</tbody>
</table>

2. What about these statistics? Any analogies here between Hawaii and the poi-sushi economy?

CIVILIAN EMPLOYMENT, WAGES AND SALARIES BY INDUSTRY 1959-1969

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<tbody>
<tr>
<td>SUGAR</td>
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<tr>
<td>Agricultural Workers</td>
<td>10,830</td>
<td>71</td>
<td>-3.5</td>
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<tr>
<td>Mill Workers</td>
<td>5,860</td>
<td>35</td>
<td>-4.0</td>
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<tr>
<td></td>
<td>4,970</td>
<td>36</td>
<td>-2.9</td>
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<tr>
<td>PINEAPPLE</td>
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<td></td>
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<tr>
<td>Agricultural Workers</td>
<td>8,630</td>
<td>49</td>
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<td>Cannery Workers</td>
<td>3,450</td>
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<td></td>
<td>5,180</td>
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<td>DIVERSIFIED AGRICULTURE</td>
<td>2,220</td>
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<td>SERVICES</td>
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<tr>
<td>Hotels</td>
<td>53,250</td>
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<td>Other Services</td>
<td>12,870</td>
<td>58</td>
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<td>40,380</td>
<td>206</td>
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-41-
IN CASE YOU DON'T KNOW IT, YOU WERE INTRODUCED TO CONCEPTS OF SUPPLY AND DEMAND IN THIS EPISODE. IN ORDER TO FIRM YOUR GRASP ON THESE BASIC IDEAS, READ THE FOLLOWING NEWSPAPER ARTICLES. AFTER EACH ONE WE'LL ASK YOU SOME QUESTIONS.

Students and Gourmets Face a Crisis of Sorts: A Shortage of Frogs

Supply Falls as Demand Rises; A Noisy Spring in Oshkosh And a Vigil in Doyline, La.

BY NEIL ULMAN
Staff Reporter of THE WALL STREET JOURNAL

Guess what’s in short supply because of the education explosion?

Frogs.

That’s right. The demand for frogs for students to pick apart in biology and zoology labs is rising at an annual rate of 10%. At the same time, the supply is dwindling. The result: A shortage that is causing prices to rise and that is diverting frogs from restaurants to labs.

The problem would seem easy to solve. The world is full of frogs, and it might appear that all an enterprising person need do would be to capture a few pairs and then go into the frog-raising business. It seems like such a sure thing that the state of Georgia is trying to encourage its citizens to become frog farmers. Gov. Lester Maddox has offered a matched set from the lily pond at the governor’s mansion in Atlanta to any Georgian who wants to become a frog farmer, and he says, “With Georgia’s abundant water supply and with a little effort, we could become first in bullfrogs.”

But there’s a hitch. It is difficult—some discouraged persons say impossible—to raise frogs domestically. The problem, says Sammy Stokes, a biologist for the Louisiana Wild Life and Fisheries Commission, lies in feeding the notoriously finicky frogs. The critters turn up their noses at anything less than live flies, crickets, minnows and crayfish, which cost more over a period of months than the frogs are worth. Deprived of these delicacies, they starve to death.

Little Boys and Big Men

All this is good news for the legions of barefoot boys and hip-booted men who roam their local swampy areas in search of frogs. A top frogger, blessed with good hunting grounds, can make $75 to $100 a night during the midsummer weeks. They sell their frogs at increasing prices—to one of the five small companies that constitute the U.S. frog industry.

But the froggers have problems of their own. They say they can’t find as many frogs as in years gone by. Froggers blame the imroads of modern society for this shortage. They say that in Louisiana, one of the best frog-hunting territories in America, irrigation projects have drained some of the best frog swamps. And they say that pesticides and other pollutants have poisoned still more across the nation.

“Back in the forties, we used to ship 15,000 frogs a day out of here—by the freight-car load,” says Bobby Hebert, vice president of Louisiana Frog Co. in Rayne. Now, he says, only 2,000 to 3,000 are shipped on those peak summer days.

In years past, frog sellers found fancy restaurants their biggest customers. But now, says E. G. Steinhilber, president of E. G. Steinhilber & Co., a frog firm in Oshkosh, Wis., labs are the biggest customers. “Frogs are too valuable to sell for frogs’ legs now,” he says. “A jumbo (1½ to 2 pounds) frog would bring about 60 cents for frogs’ legs now,” he says. “A jumbo (1½ to 2 pounds) frog would bring about 60 cents for frogs’ legs now,” he says. “A jumbo (1½ to 2 pounds) frog would bring about 60 cents for frogs’ legs now,” he says.

MAXIMUM

1. WHAT CAUSED THE DEMAND FOR FROGS TO INCREASE?
2. WHAT CAUSED THE SUPPLY OF FROGS TO DECLINE?
3. HOW DO YOU THINK OUR MARKET ECONOMY DECIDED WHO GOT THE SCARCE FROGS? CAN YOU THINK OF ANY OTHER WAYS THAT FROGS MIGHT HAVE BEEN ALLOCATED?
Curbs on Tomatoes From Mexico Cause U.S. Prices to Rise

Mexican Farmers Are Enraged As Their Crops Rot; Florida Growers Had Urged Restraints

By Norman Pearlstine
Staff Reporter of The Wall Street Journal

Neither is happy with the supply of fresh tomatoes in U.S. supermarkets. And they can both look to a common "villain"—the U.S. Department of Agriculture.

The reason: On Jan. 8, at the urging of Florida growers who compete with Mexico to supply winter tomatoes to U.S. markets, the Agriculture Department slapped a set of minimum-size restrictions on all tomatoes sold in the U.S. The chief effect of the complicated restrictions was to cut sharply the imports of Mexican tomatoes—and to drive U.S. prices as much as 30% higher than a year ago.

While U.S. housewives are irked with the price increases, Mexican tomato farmers are enraged as they watch tons of their tomatoes being devoured by cattle or simply rolling in heaps along highways. "The whole of Mexico feels stabbed in the back," says Raul Batiz, a farmer from Culiacan and president of the 20,000-member Confederation of Agriculture Associations of Sinaloa.

For many Mexicans, the tomato situation has begun to assume the proportions of a major international incident. Mexican government officials and newspapers have reacted angrily. Mexico's ambassador to the U.S., Hugo B. Margain, filed a formal protest with the State Department, and newspaper editorials depict the tomato regulations as an example of how the big Yankee likes to push around his diminutive neighbor. One cartoon depicts a large Uncle Sam stabbing a small Mexican farmer in the back. The Mexican bleeds catsup.

WHAT CAUSED THE PRICE OF TOMATOES TO RISE, A CHANGE IN SUPPLY OR A CHANGE IN DEMAND?

BASED ON THE INFORMATION IN THIS ARTICLE ALONE, WHAT DO YOU THINK MIGHT HAVE HAPPENED TO THE PRICE OF CATSUP? WHY?

WHO BENEFITS AND WHO SUFFERS AS A RESULT OF THE DEPARTMENT OF AGRICULTURE SIZE RESTRICTIONS ON TOMATOES?

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PRIMO'S GLOSSARY
OF
ECONOMIC TERMS

The words defined below are economic terms as used in the text. The numbers indicate the pages on which the words first appear.

Business
A commercial or industrial, money-making enterprise. 27

Capital
A term with various meanings; in a financial sense, the excess of assets over liabilities; in the sense of real things, goods (buildings, tools, machinery, factor equipment) used in producing other goods and services. 5

Capital Intensive
When or where much capital is used because it is relatively cheap and labor or land is expensive. 25

Consumer
One that uses goods and services (like you, man). 27

Consumption
The use of goods and services for productive purposes or for the satisfaction of human desires. 34

Cost
An effort or sacrifice made to gain or make something. In terms of money, the amount or equivalent paid or charged for something. 6
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Demand</td>
<td>The quantity or amount of goods or services that will be bought at a given price at a certain time.</td>
</tr>
<tr>
<td>Economics</td>
<td>The social science study of how men choose to allocate scarce resources in order to satisfy their wants.</td>
</tr>
<tr>
<td>Goods</td>
<td>Anything either material or immaterial that satisfies a human want.</td>
</tr>
<tr>
<td>Income</td>
<td>The amount of gain (usually money) derived from an individual's capital or labor.</td>
</tr>
<tr>
<td>Labor</td>
<td>Human effort used in making something.</td>
</tr>
<tr>
<td>Labor Intensive</td>
<td>Where or when much labor is used because it is relatively cheap and capital or land is expensive.</td>
</tr>
<tr>
<td>Land</td>
<td>Areas of the earth's surface, both land and water, owned privately or publicly and with all its natural resources.</td>
</tr>
<tr>
<td>Land Intensive</td>
<td>Where or when much land is used because it is relatively cheap and labor or capital is expensive.</td>
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<tr>
<td>Market Economy</td>
<td>The area within which buyers and sellers communicate with one another and in which exchanges take place on the basis of supply and demand for goods.</td>
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<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Money</td>
<td>Anything generally accepted in exchange for other things—a medium of exchange.</td>
</tr>
<tr>
<td>Price</td>
<td>Value expressed in terms of money or any medium of exchange.</td>
</tr>
<tr>
<td>Profit</td>
<td>Excess of the selling price of goods over their cost of production.</td>
</tr>
<tr>
<td>Profit Motive</td>
<td>The desire to make a profit as a reason for action taken.</td>
</tr>
<tr>
<td>Raw Materials</td>
<td>Material resources used in manufacturing.</td>
</tr>
<tr>
<td>Relative Resource Prices</td>
<td>Prices of productive resources as compared to each other.</td>
</tr>
<tr>
<td>Resource</td>
<td>Anything that can be used to satisfy human needs and wants.</td>
</tr>
<tr>
<td>Scarce</td>
<td>Lacking, not abundant.</td>
</tr>
<tr>
<td>Services</td>
<td>Work or activity performed for a price to satisfy someone's wants.</td>
</tr>
<tr>
<td>Supply</td>
<td>The quantity of economic goods or services available for sale in the market.</td>
</tr>
<tr>
<td>Wants</td>
<td>Desires or needs.</td>
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</tbody>
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